

# COMMITTEE REPORT

## MR. PRESIDENT:

The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 341, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1       Page 2, line 37, delete ", including a specific" and insert ".".
- 2       Page 2, delete lines 38 through 39.
- 3       Page 3, line 3, delete "specifying each" and insert "**complications**
- 4       **of the waived condition.**".
- 5       Page 3, delete lines 4 through 5.
- 6       Page 3, between lines 23 and 24, begin a new line double block
- 7       indented and insert:
- 8               **"(H) An insurance benefit card issued by the insurer to the**
- 9               **applicant includes a telephone number for verification of**
- 10              **coverage waived.**".
- 11       Page 3, line 34, delete "condition, complication, service, or
- 12       treatment" and insert "**condition or complication**".
- 13       Page 3, line 34, after "not" insert ":
- 14       **(1)**".
- 15       Page 3, line 36, delete "(1)" begin a new line double block indented
- 16       and insert "**(A)**".
- 17       Page 3, line 37, delete "(2)" begin a new line double block indented
- 18       and insert "**(B)**".
- 19       Page 3, line 37, delete "." and insert "; **or**
- 20       **(2) determined by the insured's treating physician to be**

1           **directly related to a condition for which coverage is waived**  
 2           **under subsection (e).".**

3           Page 4, between lines 5 and 6, begin a new paragraph and insert:

4           **"(i) A waiver under this section may be applied to a policy of**  
 5           **accident and sickness insurance only at the time the policy is**  
 6           **issued.".**

7           Page 4, line 24, delete ", including a specific" and insert ".".

8           Page 4, delete lines 25 through 26.

9           Page 4, line 32, delete "specifying each" and insert "**complications**  
 10          **of the waived condition.".**

11          Page 4, delete lines 33 through 34.

12          Page 5, between lines 11 and 12, begin a new line double block  
 13          indented and insert:

14               **"(H) An insurance benefit card issued by the insurer to the**  
 15               **applicant includes a telephone number for verification of**  
 16               **coverage waived.".**

17          Page 5, line 18, delete "condition," and insert "**condition or**  
 18          **complication"**.

19          Page 5, line 19, delete "complication, service, or treatment".

20          Page 5, line 19, after "not" insert ":

21               **(1)".**

22          Page 5, line 21, delete "(1)" begin a new line double block indented  
 23          and insert "**(A)".**

24          Page 5, line 22, delete "(2)" begin a new line double block indented  
 25          and insert "**(B)".**

26          Page 5, line 23, delete "." and insert "; **or**

27               **(2) determined by the insured's treating physician to be**  
 28               **directly related to a condition for which coverage is waived**  
 29               **under subsection (b).".**

30          Page 5, between lines 36 and 37, begin a new paragraph and insert:

31               **"(h) A waiver under this section may be applied to a certificate**  
 32               **of coverage of accident and sickness insurance only at the time the**  
 33               **certificate is issued.".**

34          Page 9, between lines 35 and 36, begin a new paragraph and insert:

35               "SECTION 7. IC 27-8-29-15, AS ADDED BY P.L.203-2001,  
 36          SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37          JULY 1, 2003]: Sec. 15. (a) An independent review organization shall:

38               (1) for an expedited external grievance filed under section

1 13(a)(2)(A) of this chapter, within three (3) business days after  
 2 the external grievance is filed; or

3 (2) for a standard appeal filed under section 13(a)(2)(B) of this  
 4 chapter, within fifteen (15) business days after the appeal is filed;  
 5 make a determination to uphold or reverse the insurer's appeal  
 6 resolution under IC 27-8-28-17 based on information gathered from the  
 7 covered individual or the covered individual's designee, the insurer,  
 8 and the treating health care provider, and any additional information  
 9 that the independent review organization considers necessary and  
 10 appropriate.

11 (b) When making the determination under this section, the  
 12 independent review organization shall apply:

13 (1) standards of decision making that are based on objective  
 14 clinical evidence; and

15 (2) the terms of the covered individual's accident and sickness  
 16 insurance policy.

17 (c) **In an external grievance described in section 12(4) of this**  
 18 **chapter, the insurer bears the burden of showing that the insurer**  
 19 **properly denied coverage for a condition, complication, service, or**  
 20 **treatment because the condition, complication, service, or**  
 21 **treatment is directly related to a condition for which coverage has**  
 22 **been waived under IC 27-8-5-2.5 or IC 27-8-5-19.2.**

23 (d) The independent review organization shall notify the insurer and  
 24 the covered individual of the determination made under this section:

25 (1) for an expedited external grievance filed under section  
 26 13(a)(2)(A) of this chapter, within twenty-four (24) hours after  
 27 making the determination; and

28 (2) for a standard external grievance filed under section  
 29 13(a)(2)(B) of this chapter, within seventy-two (72) hours after  
 30 making the determination."

31 Page 9, line 38, delete ",."

32 Page 9, line 39, delete "delivered, amended, or renewed".

33 Page 10, between lines 19 and 20, begin a new paragraph and insert:

34 **"(c) The commissioner of the department of insurance shall**  
 35 **forward the information submitted:**

36 **(1) under subsection (b)(1) not later than November 1, 2004;**  
 37 **and**

38 **(2) under subsection (b)(2) not later than November 1, 2005;**

- 1       **to the legislative council."**
- 2       Page 10, line 20, delete "(c)" and insert "**(d)**".
- 3       Page 10, line 22, delete "senate" and insert "**legislative council."**
- 4       Page 10, delete lines 23 through 24.
- 5       Page 10, line 25, delete "(d)" and insert "**(e)**".
- 6       Renumber all SECTIONS consecutively.  
(Reference is to SB 341 as introduced.)

**and when so amended that said bill do pass.**

Committee Vote: Yeas 11, Nays 0.

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**Miller**

**Chairperson**